

**GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

RESOLUTION NO. 05-07

WHEREAS, Texas Transportation Code authorizes the creation of a regional mobility authority for the purposes of constructing, maintaining, and operating one or more turnpike projects in a region of this state; and

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 46 Tex. Admin. Code § 26.01, *et seq.* (the "RMA Rules"); and

WHEREAS, the CTRMA identified the proposed 183-A Turnpike Project as its initial project in the petition filed under the RMA Rules; and

WHEREAS, pursuant to rules appearing in 46 Tex. Admin. Code § 27.50, *et seq.* (the "Toll Equity Rules"), the CTRMA, on November 10, 2004, filed a request for financial assistance with TxDOT in connection with development of the 183-A Turnpike Project, as amended on November 17, 2004 and December 9, 2004; and

WHEREAS, on December 16, 2004, the Texas Transportation Commission gave final approval to a grant of up to \$ 65 million to assist the CTRMA in the development of the 183-A Turnpike Project; and

WHEREAS, CTRMA staff and TxDOT have negotiated the terms of a Financial Assistance Agreement for the disbursement of the toll equity funds, a copy of which is attached hereto as Attachment "A," and


WHEREAS, this version of the Financial Assistance Agreement differs in some respects from the draft previously approved by the Board of Directors in Resolution No. 04-59, and therefore the final version is being presented to the Board of Directors for approval.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the CTRMA hereby approves the entry into a Financial Assistance Agreement attached hereto as Attachment "A" providing for a grant of funds to the CTRMA for the acquisition, construction, operation, and maintenance of the 183-A Turnpike Project; and

BE IT FURTHER RESOLVED, that the Chairman or his designee be authorized to execute such Agreement on behalf of the CTRMA.

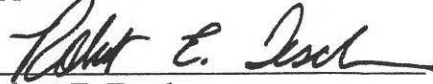
Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26th day of January 2005.

Submitted and reviewed by:



C. Brian Cassidy
Legal Counsel for the Central
Texas Regional Mobility Authority

Approved:



Robert E. Tesch
Chairman, Board of Directors
Resolution Number 05-07
Date Passed 01/26/05

FINANCIAL ASSISTANCE AGREEMENT

183-A TURNPIKE PROJECT

This Agreement is made by and between the Texas Department of Transportation, an agency of the State of Texas ("TxDOT"), and the Central Texas Regional Mobility Authority, a political subdivision of the State of Texas ("CTRMA"), for the purpose of providing financial assistance in connection with the acquisition, construction, maintenance or operation of the proposed 183-A Turnpike Project.

RECITALS

The parties acknowledge the following:

A. The CTRMA is a regional mobility authority operating pursuant to Chapter 370 of the Texas Transportation Code (the "RMA Act") and 43 TEX. ADMIN. CODE § 26.01 *et seq.* (the "RMA Rules").

B. The CTRMA has identified the proposed 183-A Turnpike Project, a 12-mile project located in Williamson County as its "initial project" pursuant to the RMA Act and RMA Rules.

C. TxDOT, pursuant to Article III, Section 52-b of the Texas Constitution and Section 222.103 of the Texas Transportation Code, is authorized to participate, through the expenditure of money from any source, in the acquisition, construction, maintenance, or operation of a toll facility of a public entity.

D. TxDOT has adopted rules at 43 TEX. ADMIN. CODE § 27.50 *et seq.* (the "Toll Equity Rules") setting forth the policies and procedures by which it will participate in the financing of a toll facility which is not under its jurisdiction.

E. The Transportation Commission, pursuant to its constitutional and statutory authority and the Toll Equity Rules, previously approved and made available to the CTRMA a grant of financial assistance in the amount of \$12.7 million for the study and development of the 183-A Turnpike Project, as evidenced in Minute Order No. 109227. The CTRMA anticipates that the entire balance of that previous grant will be used for the study and development of the 183-A Turnpike Project.

F. In Minute Order No. 109877, approved on November 18, 2004, the Transportation Commission approved the construction of the 183-A Turnpike Project by the CTRMA pursuant to Texas Transportation Code § 370.187.

G. On or about November 10, 2004, the CTRMA submitted a request, pursuant to the Toll Equity Rules, for financial assistance in connection with acquisition, construction, maintenance, and operation of the 183-A Turnpike Project (the "Toll Equity Application"). That request was amended via submittals on November 17, 2004 and December 9, 2004.

H. On November 18, 2004, and December 16, 2004, the Transportation Commission, pursuant to its constitutional and statutory authority and the Toll Equity Rules, gave preliminary and final approval to the grant by TxDOT of financial assistance in an amount not to exceed \$65 million to facilitate the CTRMA's acquisition, construction, maintenance and operation of the 183-A Turnpike Project, and in Minute Order No. 109902, approved on December 16, 2004, authorized the Executive Director of TxDOT to enter into a financial assistance agreement with the CTRMA.

I. On December 8, 2004, the CTRMA Board of Directors (the "Board") accepted the grant of financial assistance subject to Transportation Commission approval (subsequently granted on December 16, 2004) and, in Resolution No. 04 - 59, authorized the Chairman of the Board to enter into a financial assistance agreement with TxDOT.

AGREEMENT

In light of the foregoing recitals, and for good and other valuable consideration, the parties agree as follows:

1. TxDOT will provide financial assistance, in the form of a grant, to the CTRMA in an amount not to exceed \$65 million (the "Maximum Equity Amount"), but not less than \$52 million (the "Minimum Equity Amount"), to be used for the acquisition, construction, maintenance or operation of the 183-A Turnpike Project. This funding is committed by TxDOT and is not subject to future discretionary actions of TxDOT or the Transportation Commission. The parties recognize that this funding commitment is an integral part of the overall plan of finance for the 183-A Turnpike Project, and that the rating agencies, capital markets, and other third parties will act in reliance on the availability of the granted funds as reflected herein.

2. Funds will become available to the CTRMA under this Agreement as follows:

(a). At or before Closing, (the date on which the CTRMA receives funds for the issuance of turnpike revenue obligations for the 183-A Turnpike Project), the CTRMA shall designate and present to TxDOT an amount derived from net savings realized by the CTRMA at Pricing (the date on which CTRMA turnpike revenue obligations are sold and associated interest rates are fixed) as the "Equity Savings Amount".

The Equity Savings Amount shall be calculated as follows:

The difference between (i) the present value of the aggregate gross debt service shown in the Toll Equity Application and attached as Exhibit A; and (ii) the present value of the actual aggregate gross debt service achieved at Pricing; both discounted to the day of Closing at the blended True-Interest-Cost achieved at Pricing.

Provided that in no event shall the Equity Savings Amount exceed \$13.0 million.

The "Calculated Equity Amount" shall be the Maximum Equity Amount less the Equity Savings Amount.

The "Remaining Calculated Equity Amount" shall be the Calculated Equity Amount less the Minimum Equity Amount.

(b). TxDOT shall disburse funds to the CTRMA:

(i) the Minimum Equity Amount at Closing; and,

(ii) the Remaining Calculated Equity Amount on the first day of operation of the 183-A Turnpike Project.

3. Once the Calculated Equity Amount has been fully disbursed, the CTRMA may request additional financial assistance, as long as they are in compliance with all of the covenants, agreements, and obligations required to be performed by the CTRMA under this Agreement, for legally permissible purposes until the Maximum Equity Amount will have been disbursed by submitting revised schedules and other documents detailing the need for such financial assistance above the Calculated Equity Amount. TxDOT shall review such request and shall disburse the additional funds within thirty (30) days. However, the CTRMA shall have no right to request and TxDOT shall have no obligation to provide funding for any activities subsequent to December 31, 2011.

4. (a). No later than January 31, 2012, the CTRMA will provide to TxDOT a report showing actual revenues and TxDOT equity amounts less actual operating and maintenance expenditures (excluding debt service payments) through, and including, December 31, 2011 ("Actual Net Available"). The report will compare Actual Net Available to amounts shown as "Est. Net Available" on Exhibit A. If the result shows Actual Net Available greater than Est. Net Available, a refund will be due and payable to TxDOT as provided in 4.(c).

(b). Not later than January 31, 2012, the CTRMA shall present to TxDOT a report comparing actual project costs (including, but not limited to design, construction, and ROW Acquisition) to those used in developing the financing plan shown in Exhibit B. If the result shows Actual Project Costs lower than estimated project costs, a refund will be due and payable to TxDOT as provided in 4.(c).

(c). The CTRMA shall refund to the TxDOT the net result of 4(a) and 4(b), but only up to the amount previously drawn above the Minimum Equity Amount, no later than August 31, 2012.

5. The CTRMA shall be fully responsible for the design and construction of the 183-A Turnpike Project, including (a) ensuring that all environmental permits, issues, and commitments are addressed in its project design, (b) addressing field changes for potential environmental impacts and obtaining any necessary environmental permits, issues, and commitments for such field changes, and (c) ensuring that all construction plans are signed, sealed and dated by a professional engineer licensed in the State of Texas. Notwithstanding the foregoing, prior to commencement of construction of the 183-A Turnpike Project, the CTRMA

shall provide TxDOT with designs, plans, and specifications for the 183-A Turnpike Project for TxDOT's review. The CTRMA shall make such changes to said designs, plans, and specifications as TxDOT determines are necessary to comply with the design criteria prescribed in the Toll Equity Rules and in this Agreement. The nature, extent, procedures, and timelines for the exercise of the review and approval rights of TxDOT are more particularly described in the agreement for the development of the 183-A Turnpike Project between TxDOT and the CTRMA dated of even date herewith (the "Project Development Agreement").

6. Plans and specifications developed by the CTRMA for the 183-A Turnpike Project must be in compliance with either the latest version of the design manuals, as defined in Section 27.51 of the Toll Equity Rules, or the latest version of the American Association of State Highway and Transportation Officials ("AASHTO") standards, as described in Section 27.56(b)(1) of the Toll Equity Rules, provided that the CTRMA may request exceptions to the design standards pursuant to Section 27.56(b)(2) of the Toll Equity Rules, using the procedures set out in the Project Development Agreement. The Executive Director of TxDOT may approve an exception after determining that the particular criteria could not reasonably be met due to physical, environmental or other relevant factors, and that the proposed design is a prudent engineering solution. In making this determination, the Executive Director shall consider the fact that the 183-A Turnpike Project will not be part of the state highway system.

7. Construction plans and specifications for the 183-A Turnpike Project shall conform to the latest version of TxDOT's Standard Specifications for Construction and Maintenance of Highways, Streets, and Bridges, provided that the Executive Director of TxDOT may approve use of alternative specifications if the alternative is determined to be sufficient to ensure the quality and durability of the finished product for its intended use and the safety of the traveling public. In meeting this determination, the Executive Director of TxDOT shall consider that the 183-A Turnpike Project will not be a part of the state highway system. The nature, extent, procedures, and timelines for the submission of the construction plans and specifications, the review and approval of those plans and specifications by TxDOT, and the approval of alternative specifications, are more particularly described in the Project Development Agreement.

8. TxDOT acknowledges that the 183-A Turnpike Project is to be designed and constructed through a Comprehensive Development Agreement ("CDA"), and that the CTRMA has completed the CDA procurement process and has secured TxDOT and FHWA concurrence in the execution of the CDA. Any revisions to the CDA affecting prior environmental approvals or significantly affecting project scope or geometric design shall be submitted to the Executive Director of TxDOT for approval. The procedures and timelines for submission and approval of contract revisions by the Executive Director is more particularly described in the Project Development Agreement.

9. The CTRMA will be responsible for securing construction oversight and inspection, and materials testing and inspection. The Design and Construction Quality Assurance and Quality Control process is more particularly described in the Project Development Agreement, and details of that process shall be provided to TxDOT upon request, as well as any results and reports concerning such testing as it is performed.

10. Upon completion of the 183-A Turnpike Project, the CTRMA will provide to TxDOT a set of as-built plans, signed, sealed and dated by a professional engineer, licensed in the State of Texas, certifying that the project was constructed in accordance with the approved plans and specifications and approved contract revisions.

11. The CTRMA will comply with applicable state and federal law in the performance of work under the agreement, including obtaining the approval of the Federal Highway Administration or another federal agency, if required, and will comply with any other applicable provisions of Sections 27.55(b)(1) and 27.56 of the Toll Equity Rules relating to the performance of work.

12. The CTRMA will maintain its books and records relating to the 183-A Turnpike Project and the financial assistance provided under this Agreement in accordance with the requirements of Section 27.55(b)(2) of the Toll Equity Rules, and will comply with the audit requirements and other applicable requirements relating to project records in Section 27.55(b) of the Toll Equity Rules. All records and documents prepared by the CTRMA under this Agreement or otherwise relating to the financing, design, and construction of the 183-A Turnpike Project will be made available to authorized representatives of TxDOT and the Federal Highway Administration for purposes of review and audit.

13. Nothing herein shall excuse compliance by the CTRMA with any or all environmental permits, issues and commitments necessary for development of the 183-A Turnpike Project.

14. Any reference to specific sections of the Toll Equity Rules in this Agreement shall refer to such rules as they existed on the effective date hereof.

This Agreement shall be effective as of the _____ day of January, 2005.

TEXAS DEPARTMENT OF TRANSPORTATION

By: _____
Michael W. Behrens, P.E., Executive Director

**THE CENTRAL TEXAS
REGIONAL MOBILITY AUTHORITY**

By: _____
Robert E. Tesch, Chairman